

Message Text

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ACTION EB-04

INFO OCT-01 SS-14 ISO-00 STR-02 STRE-00 SSO-00 EA-06

NSCE-00 TRSE-00 SP-02 INR-05 INRE-00 CIAE-00

NSAE-00 OMB-01 EUR-08 L-01 /044 W

-----098766 191837Z /46

O 191835Z DEC 77

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 3848

INFO ALL EC CAPITALS

AMEMBASSY TOKYO

USMISSION GENEVA

C O N F I D E N T I A L BRUSSELS 18934

LIMDIS

GENEVA FOR MTN, PARIS FOR USOECD, DEPT PASS STR ELECTRO-
NICALLY

E.O. 11652: GDS

TAGS: EMIN, ETRD, EEC

SUBJECT: STEEL

1. COMMISSIONER DAVIGNON TOOK ME ASIDE AT LUNCHEON DEC.
19 FOR SECRETARY BERGLAND, AND TOLD ME FOLLOWING RE STEEL
SITUATION:

DURING SECOND EMERGENCY COMMISSION MEETING EARLIER IN
DAY CONCERNING HOW TO DEAL WITH FRENCH PRESSURES FOR
RESTRICTIVE ACTION, SHARPLY DIVIDED COMMISSION DECIDED TO
PROPOSE IN COUNCIL OF MINISTERS TODAY TWO MONTHS' REGIME
BASED ON REFERENCE PRICES TO BE ANNOUNCED BEFORE JANUARY
1 AND (IF I GOT IT RIGHT) SOME SORT OF PROVISIONAL LEVIES
AGAINST ANY TRADE BELOW REFERENCE PRICES. GUNDELACH
SAID SEPARATELY THESE ANTI-DUMPING DUTIES WOULD BE COMPA-
TIBLE WITH NORMAL PROCEDURES BUT I MUST SAY I DID NOT
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GET THAT IMPRESSION FROM DAVIGNON. DAVIGNON THOUGHT
COMMISSION WOULD USE ABOUT 10 CATEGORIES. DURING TWO-
MONTH PERIOD COMMUNITY WOULD NEGOTIATE BILATERAL AGREE-
MENTS WITH ITS PRINCIPAL SUPPLIERS (JAPAN, SOUTH AFRICA,
SPAIN, EFTA COUNTRIES, EASTERN EUROPEAN STATES, BRAZIL,
GREECE, AND TURKEY WERE MENTIONED), WHICH WOULD PROVIDE
FOR RESPECT OF MINIMUM PRICE SYSTEM WHICH ALLEGEDLY WOULD

BEAR SOME RELATION TO EFFICIENT PRODUCER PRICES AND WOULD GUARANTEE TO COUNTRIES SIGNING UP A MINIMUM AMOUNT OF TRADE. WHEN I REMARKED THIS SOUNDED LIKE A FLOOR QUANTITATIVE CONCEPT, DAVIGNON SAID YES BUT WITH VERY NARROW MARGINS FOR TRADE IT WOULD ALSO BE A CEILING, WHICH SOUNDS LIKE A QUANTITATIVE APPROACH TO ME. HE THOUGHT THAT THERE WOULD BE DIFFICULTIES IN THE COUNCIL OVER THESE PROPOSALS BUT THAT NEITHER THE FRENCH NOR ANY OTHER MEMBER STATE WOULD, IN THE END, BE WILLING TO BLOCK WHAT HE CALLED THE COMMISSION DETERMINATION TO ACT. HE TALKED VAGUELY OF THEREAFTER--SAY BY JULY--NEGOTIATING AN OECD-WIDE REFERENCE PRICE SYSTEM.

2. COMMENT: WHAT ACTUALLY WILL HAPPEN REMAINS TO BE SEEN, BUT I MUST SAY THAT IT SEEMS LIKE A CLOSE VARIANT ON TEXTILES TO ME. HINTON

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NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
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Concepts: STEEL
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Dec-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 191316
Secure: OPEN
Status: NATIVE
Subject: STEEL
TAGS: EMIN, ETRD, EEC
To: STATE
Type: TE
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